

MAYOR & COUNCIL AGENDA COVER SHEET

MEETING DATE:

June 21, 2007

CALL TO PODIUM:

David B. Humpton, City Manager

RESPONSIBLE STAFF:

David B. Humpton, City Manager

AGENDA ITEM:

(please check one)

<input type="checkbox"/>	Presentation
<input type="checkbox"/>	Proclamation/Certificate
<input type="checkbox"/>	Appointment
<input type="checkbox"/>	Public Hearing
<input type="checkbox"/>	Historic District
<input type="checkbox"/>	Consent Item
<input type="checkbox"/>	Ordinance
<input checked="" type="checkbox"/>	Resolution
<input type="checkbox"/>	Policy Discussion
<input type="checkbox"/>	Work Session Discussion Item
<input type="checkbox"/>	Other:

PUBLIC HEARING HISTORY:

(Please complete this section if agenda item is a public hearing)

Introduced	
Advertised Public Hearing	
Hearing Date	
Record Held Open	
Policy Discussion	

TITLE:

Resolution of the Mayor and City Council Authorizing the City Manager to Transfer Funds from the FY 2007 Capital Improvements Plan Fund Balance in Order to Allow for the Provision of City Services in the Absence of an Adopted and Ratified FY 2008 Budget.

SUPPORTING BACKGROUND:

The possibility exists that the FY 2008 budget may not be adopted and ratified by July 1, 2007. This would have the effect of causing all of the services provided by the City to cease.

The City Charter requires that we operate with a budget, allows for a veto and override, but does not provide a mechanism for operating if no override occurs. We believe that paragraph 47 of section 19 of the Charter provides the Council with sufficiently broad powers to allow for the plan anticipated by this resolution.

The attached resolution authorizes the City Manager to transfer a portion of the current Capital Improvements Plan (CIP) balance to fund operations. It would require approximately \$3.25 million to fund the operating budget for the month of July. We are recommending that an additional \$500,000 be authorized to account for unforeseen expenses. The total requested authorization would be \$3.75 million. A series of purchase orders would subsequently be created to pay for the various categories of expenses.

These funds would be taken from the CIP #03-1 (Gaithersburg Aquatic/Recreation Center) and would be restored to that account after a budget is ratified. If a City budget is adopted and ratified by July 1, 2007, this Resolution would have no force and effect.

DESIRED OUTCOME:

Vote on Resolution.

RESOLUTION No. _____

RESOLUTION OF THE MAYOR AND CITY COUNCIL AUTHORIZING THE CITY MANAGER TO TRANSFER FUNDS FROM THE FY 2007 CAPITAL IMPROVEMENTS PLAN FUND BALANCE IN ORDER TO ALLOW FOR THE PROVISION OF CITY SERVICES IN THE ABSENCE OF AN ADOPTED AND RATIFIED FY 2008 BUDGET

WHEREAS, the City of Gaithersburg FY 2008 budget may not be adopted and ratified by July 1, 2007; and,

WHEREAS, the absence of a budget would cause the services provided by the City to cease; and,

WHEREAS, the City Manager has determined that it is necessary and appropriate to transfer funds from the current balance of Capital Improvements Plan (CIP) account number 03-1 (Gaithersburg Aquatic/Recreation Center) to allow for the provision of City services; and,

WHEREAS, such services will be provided using the transferred funds for a maximum of 31 days or until an FY 2008 budget is adopted and ratified, whichever is earlier; and,

WHEREAS, the funds transferred from CIP 03-1 will be restored in due course during FY 2008:

NOW, THEREFORE, BE IT RESOLVED, that the City Manager is immediately authorized to transfer up to \$3.75 million from the FY 2007 Capital Improvements Plan fund balance in order to allow for the provision of City services in the absence of an adopted and ratified FY 2008 budget.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that if a City budget is adopted and ratified by July 1, 2007, this Resolution shall be of no force and effect.

ADOPTED by the City Council on this 21st day of June, 2007.

SIDNEY A. KATZ, Mayor and
President of the Council

THIS IS TO CERTIFY that the foregoing
Resolution was adopted by the City Council
in public meeting assembled on the 21st day
of June, 2007.

David B. Humpton, City Manager